

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PURCHASED WATER ADJUSTMENT)
OF MONROE COUNTY WATER DISTRICT) CASE NO. 10157

O R D E R

On February 10, 1988, Monroe County Water District ("Monroe") filed information with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to KRS 278.015 and 807 KAR 5:068, Purchased Water Adjustment.

On February 25, 1988, the Commission requested that additional information be filed. The required information has now been filed and the record is complete.

The Commission, having reviewed the evidence of record and being advised, is of the opinion and finds that:

1. Monroe purchases water from the City of Tompkinsville ("City"). The initial information and calculations filed by Monroe indicate that the City bills on a declining block rate schedule. However, the base rate shown in Monroe's approved tariff is a flat rate of \$.83 per 1,000 gallons. Further, a copy of the City's ordinance, filed by Monroe on February 25, 1988, shows the changed rate to be a flat rate of \$1.03 per 1,000 gallons.

2. The City's increase of \$.20 per 1,000 gallons of water purchased by Monroe became effective on January 1, 1988.

3. During the 12 months ending December 31, 1987, Monroe purchased 38,328,200 gallons of water and sold 35,765,814 gallons.

4. Monroe's calculations are incorrect in that the appropriate rates were not applied.

5. The increase in purchased water costs is \$7,666, resulting in a purchased water adjustment of \$.21 per 1,000 gallons of water as shown by the calculations in Appendix B.

6. The purchased water adjustment of \$.21 per 1,000 gallons and the rates in Appendix A are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Monroe are incorrect and are hereby denied.

2. The purchased water adjustment of \$.21 per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after the date of this Order.

3. Within 30 days of the date of this Order, Monroe shall file its revised tariff setting out the rates approved herein.

4. Within 30 days of the date of this Order, Monroe shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 8th day of March, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Wrenn, Jr.
Chairman

Robert M. Davis
Vice Chairman

James H. Williams
Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10157 DATED 3/8/88

The following rates and charges are prescribed for the customers in the area served by Monroe County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

5/8 Inch x 3/4 Inch Meters

	<u>Monthly Rate</u>
First 2,000 gallons	\$11.02 Minimum
Next 3,000 gallons	4.21 per 1,000 gallons
Next 5,000 gallons	3.56 per 1,000 gallons
Over 10,000 gallons	2.86 per 1,000 gallons

1 Inch Meters

First 5,000 gallons	\$23.65 Minimum
Next 3,000 gallons	4.21 per 1,000 gallons
Next 5,000 gallons	3.56 per 1,000 gallons
Over 13,000 gallons	2.86 per 1,000 gallons

2 Inch Meters

First 16,000 gallons	\$58.36 Minimum
Next 3,000 gallons	4.21 per 1,000 gallons
Next 5,000 gallons	3.56 per 1,000 gallons
Over 24,000 gallons	2.86 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 10157 DATED 3/8/88

Calculation of Purchased Water Adjustment

Gallons Purchased: 38,328,200 gallons
Gallons Sold: 35,765,814 gallons

Cost at Changed Rate: 38,328.200 m. gallons x \$1.03 = \$39,478.05
Less
Cost at Base Rate: 38,328.200 m. gallons x \$.83 = 31,812.41
Increase in Costs \$ 7,665.64

\$7,665.64 ÷ 35,765.814 m. gallons sold = \$.2143 or \$.21 per 1,000
gallons